

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

I

W-02031A
Indiada Water Company, Inc.
2102 N. Forbes, Ste. 107
Tucson, AZ 85745

RECEIVED

MAR 18 2010

AZ CORP COMM
Director Utilities

ANNUAL REPORT
Water

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2009 |
|----|----|------|

FOR COMMISSION USE

| | |
|--------|----|
| ANN 04 | 09 |
|--------|----|

3.22.10 *Chm*

COMPANY INFORMATION

| | | |
|--|--|---|
| Company Name (Business Name) Indiada Water Company, Inc. | | |
| Mailing Address 2102 N. Forbes, #107 <div style="text-align: center; font-size: small;">(Street)</div> | | |
| Tucson <div style="text-align: center; font-size: x-small;">(City)</div> | AZ <div style="text-align: center; font-size: x-small;">(State)</div> | 85745 <div style="text-align: center; font-size: x-small;">(Zip)</div> |
| 520-623-5172 <div style="text-align: center; font-size: x-small;">Telephone Number (Include Area Code)</div> | 520-792-0377 <div style="text-align: center; font-size: x-small;">Fax No. (Include Area Code)</div> | <div style="text-align: center; font-size: x-small;">Pager/Cell No. (Include Area Code)</div> |
| Email Address _____ | | |
| Local Office Mailing Address same as above <div style="text-align: center; font-size: small;">(Street)</div> | | |
| <div style="text-align: center; font-size: x-small;">(City)</div> | <div style="text-align: center; font-size: x-small;">(State)</div> | <div style="text-align: center; font-size: x-small;">(Zip)</div> |
| <div style="text-align: center; font-size: x-small;">Local Office Telephone Number (Include Area Code)</div> | <div style="text-align: center; font-size: x-small;">Fax No. (Include Area Code)</div> | <div style="text-align: center; font-size: x-small;">Pager/Cell No. (Include Area Code)</div> |
| Email Address _____ | | |

MANAGEMENT INFORMATION

| | | | |
|---|--|---|---|
| Management Contact: Southwestern Utility Management, Inc. | | | |
| (Name) | | (Title) | |
| 2102 N. Forbes, #107 <div style="text-align: center; font-size: x-small;">(Street)</div> | Tucson <div style="text-align: center; font-size: x-small;">(City)</div> | AZ <div style="text-align: center; font-size: x-small;">(State)</div> | 85745 <div style="text-align: center; font-size: x-small;">(Zip)</div> |
| 520-623-5172 <div style="text-align: center; font-size: x-small;">Telephone Number (Include Area Code)</div> | 520-792-0377 <div style="text-align: center; font-size: x-small;">Fax No. (Include Area Code)</div> | <div style="text-align: center; font-size: x-small;">Pager/Cell No. (Include Area Code)</div> | |
| Email Address _____ | | | |
| On Site Manager: Gary Newman <div style="text-align: center; font-size: small;">(Name)</div> | | | |
| 2102 N. Forbes, #107 <div style="text-align: center; font-size: x-small;">(Street)</div> | Tucson <div style="text-align: center; font-size: x-small;">(City)</div> | AZ <div style="text-align: center; font-size: x-small;">(State)</div> | 85745 <div style="text-align: center; font-size: x-small;">(Zip)</div> |
| 520-623-5172 <div style="text-align: center; font-size: x-small;">Telephone Number (Include Area Code)</div> | 520-792-0377 <div style="text-align: center; font-size: x-small;">Fax No. (Include Area Code)</div> | <div style="text-align: center; font-size: x-small;">Pager/Cell No. (Include Area Code)</div> | |
| Email Address _____ | | | |

| | | | |
|--------------------------------------|--------|-----------------------------|------------------------------------|
| Statutory Agent Bob Watkins | | | |
| (Name) | | | |
| 200 E. Vista | Bisbee | AZ | 85603 |
| (Street) | (City) | (State) | (Zip) |
| Telephone Number (Include Area Code) | | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |
| Attorney: _____ | | | |
| (Name) | | | |
| (Street) | (City) | (State) | (Zip) |
| Telephone Number (Include Area Code) | | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |

OWNERSHIP INFORMATION

Check the following box that applies to you company:

| | |
|--|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-Op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-Op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

| | | |
|--|--|--|
| <input type="checkbox"/> APACHE | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D (OC less AD) |
|----------------------|--|-----------------------------------|--|---------------------------------|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 750 | --- | 750 |
| 304 | Structures and Improvements | | | |
| 307 | Wells and Springs | 14684 | 14684 | --- |
| 311 | Pumping Equipment | 7613 | 5665 | 1948 |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | 4159 | 1248 | 2911 |
| 331 | Transmission and Distribution Mains | 19417 | 17533 | 1884 |
| 333 | Services | | | |
| 334 | Meters and Meter Installations | 1255 | 1255 | --- |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Equipment | 3789 | 3789 | --- |
| 341 | Transportation Equipment | 18045 | 9023 | 9022 |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 69712 | 53197 | 16515 |


This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|----------------------|--|----------------------------------|--|---|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 750 | | --- |
| 304 | Structures and Improvements | | | |
| 307 | Wells and Springs | 14684 | Various | --- |
| 311 | Pumping Equipment | 7613 | 14.28% | 237 |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | 4159 | 20% | 832 |
| 331 | Transmission and Distribution Mains | 19417 | Various | 398 |
| 333 | Services | | | |
| 334 | Meters and Meter Installations | 1255 | Various | --- |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Equipment | 3789 | Various | --- |
| 341 | Transportation Equipment | 18045 | 20% | 3609 |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 69712 | | 5076 |

This amount goes on Comparative statement of Income and Expense



BALANCE SHEET

| Acct. No. | ASSETS | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|----------------------|---|---|---------------------------------------|
| | | | |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 4718 | \$ 711 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | (318) | (763) |
| 146 | Notes/Receivables from Associated Companies | 2000 | 2000 |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | 3000 | 3000 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 9400 | \$ 4948 |
| | | | |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 66348 | \$ 69712 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation – Utility Plant | (48121) | (53197) |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation – Non Utility | | |
| | TOTAL FIXED ASSETS | \$ 18227 | \$ 16515 |
| | | | |
| | TOTAL ASSETS | \$ 27627 | \$ 21463 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

| Acct. No. | LIABILITIES | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|----------------------|---|---|---------------------------------------|
| | | | |
| | CURRENT LIABILITIES | | |
| 231 | Accounts Payable | \$ 7898 | \$ 3533 |
| 232 | Notes Payable (Current Portion) | | |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | 630 | 680 |
| 236 | Accrued Taxes | 565 | (522) |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | | |
| | TOTAL CURRENT LIABILITIES | \$ 9093 | \$ 3691 |
| | | | |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ 10523 | \$ --- |
| | | | |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$ | \$ |
| 252 | Advances in Aid of Construction | | |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | | |
| 272 | Less: Amortization of Contributions | | |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$ --- | \$ --- |
| | | | |
| | TOTAL LIABILITIES | \$ 19616 | \$ 3691 |
| | | | |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ 41300 | \$ 41300 |
| 211 | Paid in Capital in Excess of Par Value | (22643) | (12320) |
| 215 | Retained Earnings | 654 | 92 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | (11300) | (11300) |
| | TOTAL CAPITAL | \$ 8011 | \$ 17772 |
| | | | |
| | TOTAL LIABILITIES AND CAPITAL | \$ 27627 | \$ 21463 |

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|----------------------|---|-------------------|---------------------|
| 461 | Metered Water Revenue | \$ 24885 | \$ 28013 |
| 460 | Unmetered Water Revenue | | |
| 474 | Other Water Revenue | 200 | 80 |
| | TOTAL REVENUES | \$ 25085 | \$ 28093 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ 6750 | \$ --- |
| 610 | Purchased Water | 2150 | 1700 |
| 615 | Purchased Power | 1631 | 1818 |
| 618 | Chemicals | | 166 |
| 620 | Repairs and Maintenance | 3983 | 875 |
| 621 | Office Supplies and Expense | 4244 | 1336 |
| 630 | Outside Services | 2672 | 9972 |
| 635 | Water Testing | 1163 | 2129 |
| 641 | Rents | 900 | --- |
| 650 | Transportation Expense | 982 | 3688 |
| 657 | Insurance – General Liability | | 49 |
| 659 | Insurance – Health and Life | | |
| 666 | Regulatory Commission Expense – Rate Case | | 1439 |
| 675 | Miscellaneous Expense | | |
| 403 | Depreciation Expense | 4892 | 5076 |
| 408 | Taxes Other Than Income | 1026 | (958) |
| 408.11 | Property Taxes | 691 | 1412 |
| 409 | Income Tax | | |
| | TOTAL OPERATING EXPENSES | \$ 31084 | \$ 28702 |
| | | | |
| | OPERATING INCOME/(LOSS) | \$ (5999) | \$ (609) |
| | | | |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$ | \$ |
| 421 | Non-Utility Income | 4515 | 47 |
| 426 | Miscellaneous Non-Utility Income | --- | --- |
| 427 | Interest Expense | (700) | --- |
| | TOTAL OTHER INCOME/(EXPENSE) | \$ 3815 | \$ 47 |
| | | | |
| | NET INCOME/(LOSS) | \$ (2184) | \$ (562) |

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|----------------|----------------|----------------|----------------|
| Date Issued | | | | |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | | | | |
| Dollar Amount Issued | \$ | \$ | \$ | \$ |
| Amount Outstanding | \$ | \$ | \$ | \$ |
| Date of Maturity | | | | |
| Interest Rate | % | % | % | % |
| Current Year Interest | \$ | \$ | \$ | \$ |
| Current Year Principal | \$ | \$ | \$ | \$ |

Meter Deposit Balance at Test Year End \$ 519.91

Meter Deposits Refunded During the Test Year \$ 70.00

| | |
|------------------------|--|
| COMPANY NAME | Indiada Water Company |
| Name of System: | ADEQ Public Water System Number: 02-020 |

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|----------------------------|----------------------------|-----------------------------|------------------------------------|---|--------------------------------|-------------------------|
| 55-805790 | 1 | 12 | 55 | 8 | 1 | 1970 |
| 55-805791 | 2 | 20 | 120 | 8 | 1 | 1966 |
| 55805792 | 1.5 | 20 | 120 | 8 | 2 | 1967 |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|----------------------------|---------------------------|---|
| N/A | | |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|----------------------|-----------------|--------------------------|-----------------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| 2 | 1 | | |
| | | | |
| | | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|----------------------|-----------------|-----------------------|-----------------|
| Capacity | Quantity | Capacity | Quantity |
| 12,000 gallons | 1 | 1,000 | 2 |
| | | 85 | 2 |
| | | | |
| | | | |
| | | | |
| | | | |

Note: If you are filing for more than one system, please provide separate sheets for each system.

See Accountant's Compilation Report

| | |
|--|--|
| COMPANY NAME: Indiada Water Company | |
| Name of System: | ADEQ Public Water System Number: 02-020 |

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|-------------------------|-----------------|-------------------------|
| 2 | <u>PVC</u> | <u>1000</u> |
| 3 | <u>AC/PVC</u> | <u>10000</u> |
| 4 | <u>AC</u> | <u>2000</u> |
| 5 | | |
| 6 | | |
| 8 | | |
| 10 | | |
| 12 | | |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|-------------------------|-----------------|
| 5/8 X 3/4 | <u>56</u> |
| 3/4 | |
| 1 | |
| 1 1/2 | |
| 2 | |
| Comp. 3 | |
| Turbo 3 | |
| Comp. 4 | |
| Turbo 4 | |
| Comp. 6 | |
| Turbo 6 | |
| | |
| | |

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

| | |
|---|--|
| COMPANY NAME: <u>Indiada Water Company</u> | |
| Name of System: | ADEQ Public Water System Number: 02-020 |

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|------------------|----------------------------|-------------------------------------|---------------------------------------|--|
| JANUARY | 54 | 299 | 203 | 124 |
| FEBRUARY | 55 | 301 | 340 | 11 |
| MARCH | 55 | 436 | 445 | 12 |
| APRIL | 56 | 527 | 515 | 13 |
| MAY | 55 | 801 | 674 | 41 |
| JUNE | 55 | 703 | 556 | 37 |
| JULY | 57 | 567 | 426 | 10 |
| AUGUST | 56 | 511 | 357 | 12 |
| SEPTEMBER | 55 | 618 | 554 | 14 |
| OCTOBER | 55 | 358 | 362 | 20 |
| NOVEMBER | 56 | 485 | 371 | 26 |
| DECEMBER | 55 | 244 | 270 | 14 |
| TOTALS → | | 5850 | 5073 | 334 |

What is the level of arsenic for each well on your system? <0.001 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☒ (X) Yes ☐ () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ () Yes ☒ (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ () Yes ☒ (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system. See Accountant's Compilation Report

| | |
|---|--|
| COMPANY NAME: <u>Indiada Water Company</u> | |
| Name of System: | ADEQ Public Water System Number: 02-020 |

UTILITY SHUTOFFS / DISCONNECTS

| MONTH | Termination without Notice R14-2-410.B | Termination with Notice R14-2-410.C | OTHER |
|------------------|---|--|--------------|
| JANUARY | 0 | 0 | 0 |
| FEBRUARY | 0 | 0 | 0 |
| MARCH | 0 | 0 | 0 |
| APRIL | 0 | 0 | 0 |
| MAY | 0 | 0 | 0 |
| JUNE | 0 | 0 | 0 |
| JULY | 0 | 1 | 0 |
| AUGUST | 0 | 0 | 0 |
| SEPTEMBER | 0 | 1 | 0 |
| OCTOBER | 0 | 1 | 0 |
| NOVEMBER | 0 | 0 | 0 |
| DECEMBER | 0 | 0 | 0 |
| TOTALS → | 0 | 3 | 0 |

OTHER (description):

See Accountant's Compilation Report

COMPANY NAME Indiada Water Company, Inc.

YEAR ENDING 12/31/2009

PROPERTY TAXES

Amount of actual property taxes paid during Calendar year 2009 was \$ 1411.75.

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property tax paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

MAR 14 2010

COORP COMM
Director Utilities

VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

| | |
|---|------------------|
| (COUNTY OF (COUNTY NAME)) Pima | |
| NAME (OWNER OR OFFICIAL) Bonnie O'Connor | TITLE Manager |
| COMPANY NAME Indiada Water Company, Inc. | |

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE
ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

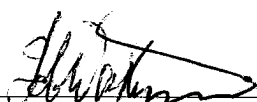
| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2009 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS. PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE
CURRENT AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT
AND PAID IN FULL.**



SIGNATURE OF OWNER OR OFFICIAL

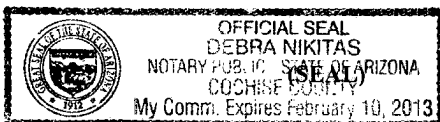
520-458-4388

TELEPHONE NUMBER


**SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

THIS 15th DAY OF March

| | |
|-------------|-----------|
| COUNTY NAME | Cochise |
| MONTH | 2009 2010 |



MY COMMISSION EXPIRES Feb 10, 2013



SIGNATURE OF NOTARY PUBLIC

SEE ACCOUNTANTS' REPORT.

INCOME TAXES

For this reporting period, please provide the following:

Federal Taxable Income Reported S Corporation
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported S Corporation
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances ---
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances ---

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

3/15/16

DATE

Bonnie O'Connor

PRINTED NAME

Manager

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

**VERIFICATION
STATE OF**

Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)

Pima

NAME (OWNER OR OFFICIAL) TITLE

Bonnie O'Connor, Manager

COMPANY NAME

Indiada Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH

12

DAY

31

YEAR

2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 29894.57

**(THE AMOUNT IN THE BOX ABOVE
INCLUDES \$ 1755.35
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15th

DAY OF March

(SEAL)

MY COMMISSION EXPIRES

Feb 13, 2013

See Accountants' Report.

COUNTY NAME

Cochise

MONTH

2010



**OFFICIAL SEAL
DEBRA NIKITAS
NOTARY PUBLIC - STATE OF ARIZONA
COCHISE COUNTY
My Comm. Expires February 10, 2013**

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED
OFFICE OF THE
GOVERNOR
DIRECTOR UTILITIES

VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

| | |
|---|------------------|
| (COUNTY NAME) Pima | |
| NAME (OWNER OR OFFICIAL) Bonnie O'Connor | TITLE Manager |
| COMPANY NAME Indiada Water Company, Inc. | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2009 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01 ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 29,894.57

(THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 1,755.35

IN SALES TAXES BILLED, OR COLLECTED)

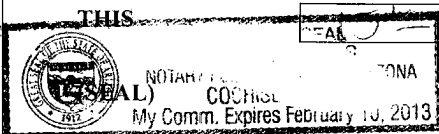
***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS**

DAY OF



MY COMMISSION EXPIRES

See Accountants' Report

| | |
|---------------------------------------|--------------|
| NOTARY PUBLIC NAME Deborah Nikites | |
| COUNTY NAME Cochise | |
| MONTH March | YEAR 2010 |

SIGNATURE OF NOTARY PUBLIC

ACREAGE:

.13

JURISDICTION

2008
TAXES2008
TAXES

0121863

SITUS ADDRESS:
NULL

LEGAL DESCRIPTION:

TOTAL VALUE OF OPERATING PROPERTY
105-89-016-A 5,000 105-89-
029-A 750 105-89-042
5,000

| | | | |
|-------|----------------------|--------|--------|
| 02000 | COCHISE COUNTY | 307.77 | 319.76 |
| 02001 | STATE SCHOOL TAX EQU | 0.00 | 40.00 |
| 05068 | SIERRA VISTA SD #68 | 327.76 | 339.26 |
| 06104 | SIERRA VISTA UHS | 215.54 | 172.77 |
| 08150 | COCHISE COUNTY JUNIO | 190.96 | 194.51 |
| 11202 | FRY FD | 306.73 | 322.20 |
| 11900 | FIRE DISTRICT ASSIST | 9.29 | 10.56 |
| 14900 | COCHISE COUNTY LIBRA | 16.69 | 17.56 |
| 15000 | COCHISE COUNTY FCD # | 6.42 | 6.14 |

This is the only notice you will receive.

Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

**THIS IS A
CALENDAR YEAR
TAX NOTICE**

TOTALS 1,381.16 1,422.76

937-26-870 7

9374607 01 AV 0 335 **AUTO T6 0 0786 85635-381101

PAGE 0001 OF 0001 00040582

INDIADA WATER CO INC
NATHAN WATKINS/MANAGER
301 N GARDEN AVENUE
SIERRA VISTA AZ 85635-3811

PAYMENT INSTRUCTIONS

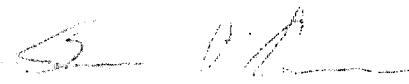
To pay the 1st half installment and full year tax notices of \$170 or less, send the 1st half coupon with your payment postmarked no later than 12/31/07. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than 12/31/07. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than 12/31/07 and no interest will be charged for current year.

Make your check payable to and mail to
Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

There will be a charge for each returned check.
Your taxes will revert to an unpaid status.

PARCEL NUMBER

Marsha Bonham Cochise County Treasurer
 Cochise County Treasurer
 Po Box 1778
 Bisbee AZ 85603-2778



AUTHORIZED SIGNATURE

Property Tax 2009 1st half 937-26-870

⑈005121⑈ ⑆122105278⑆1226386934⑈

INDIADA WATER CO.

5121

| | | | | | |
|--|------|-----------------|---------------|--------------|----------|
| Marsha Bonham Cochise County Treasurer | | | 10/7/2009 | | |
| Date | Type | Reference | Original Amt. | Balance Due | Discount |
| 9/30/2009 | Bill | Prop Tax 09 1st | 711.38 | 711.38 | |
| | | | | Check Amount | Payment |
| | | | | | 711.38 |

18-1311 - Wells Fargo Property Tax 2009 1st half 937-26-870

711.38

INDIADA WATER CO.

5121

| | | | | | |
|--|------|-----------------|---------------|--------------|----------|
| Marsha Bonham Cochise County Treasurer | | | 10/7/2009 | | |
| Date | Type | Reference | Original Amt. | Balance Due | Discount |
| 9/30/2009 | Bill | Prop Tax 09 1st | 711.38 | 711.38 | |
| | | | | Check Amount | Payment |
| | | | | | 711.38 |

18-1311 - Wells Fargo Property Tax 2009 1st half 937-26-870

711.38

2008 9372687007 2 0000001381160000

Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

.....

02937268700070000000069058



If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.

Delinquency Date Second Half Payment
Penalty for late payment is 16% per year
prorated monthly as of the 1st day of the
month for payments postmarked after 5:00
P.M. May 1, 2009 (ARS 42-18052 and ARS
42-18053).

690.5

Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

2

Due March 1, 2009
INDIADA WATER CO INC
Parcel Number: 937-26-870 7 Roll Number: 0121250

2008 SECOND HALF PAYMENT COUPON

Make check payable to: Marsha Bonham
Cochise County Treasurer
Bisbee AZ 85603-2778
Payment in U.S. FUND
DETACH AND RETURN WITH PAYMENT

08 PROPERTY TAX NOTICE

Cochise County

ARIZONA

| PARCEL # | AREA CODE | PRIMARY TAX RATE PER \$100 ASSESSED VALUE | SECONDARY TAX RATE PER \$100 ASSESSED VALUE | IRRIGATION DISTRICT \$ PER ACRE | 2008 TAX SUMMARY | |
|--------------|-----------|---|---|---------------------------------|-----------------------------|----------|
| 937-26-870 7 | 6870 | 7.5856 | 4.6270 | | PRIMARY PROPERTY TAX | 872.44 |
| | | | | | LESS STATE AID TO EDUCATION | 0.00 |
| | | | | | NET PRIMARY PROPERTY TAX | 872.44 |
| | | | | | SECONDARY PROPERTY TAX | 508.72 |
| | | | | | SPECIAL DISTRICT TAX | 0.00 |
| | | | | | TOTAL TAX DUE FOR 2008 | 1,381.16 |

| ASSESSMENT | VALUE IN DOLLARS | ASST % | ASSESSED VALUE | EXEMPTIONS | TAX RATE | TAX | 2007 TAXES | 2008 TAXES |
|------------------------|------------------|--------|----------------|------------|----------|--------|------------|------------|
| ED LAND, BLDGS, ETC | 10,750 | 23.0 | 2,473 | 0 | 7.5856 | 187.61 | 350.72 | 307.77 |
| ED PERSONAL PROPERTY | 0 | 0.0 | 0 | 0 | 0.0000 | 0.00 | 524.33 | 327.76 |
| ED TOTALS | 10,750 | | 2,473 | 0 | | 187.61 | 280.87 | 215.54 |
| CASH LAND | 10,750 | 23.0 | 2,473 | 0 | 4.6270 | 114.42 | 213.34 | 190.96 |
| CASH BUILDINGS, ETC | 39,250 | 23.0 | 9,028 | 0 | 4.3673 | 394.30 | 344.44 | 306.73 |
| CASH PERSONAL PROPERTY | 0 | 0.0 | 0 | 0 | 0.0000 | 0.00 | 10.61 | 9.29 |
| CASH TOTALS | 50,000 | | 11,501 | 0 | | 508.72 | 17.76 | 16.69 |
| | | | | | | | 22.11 | 6.42 |

is the only notice you will receive

Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

THIS IS A
CALENDAR YEAR
TAX NOTICE

TOTALS 1,764.18 1,381.16



937-26-870 7

0035021 01 AV 0.324 **AUTO T8 0 0786 85635-381101

PAGE 0001 OF 0001 00041607



INDIADA WATER CO INC
NATHAN WATKINS/MANAGER
301 N GARDEN AVENUE
SIERRA VISTA AZ 85635-3811

PAYMENT INSTRUCTIONS

To pay the 1st half installment and full year tax notices of \$100 or less, send the 1st half coupon with your payment postmarked no later than Nov. 3, 2008. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2009. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2008 and no interest will be charged for current year.

Make your check payable to and mail to:
Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

COCHISE COUNTY TREASURER
PHONE: (520) 432-8415, (520) 432-8405,
(520) 432-8406, (520) 432-8414

6/01/2009

INDIADA WATER CO INC
301 N GARDEN AVENUE

SIERRA VISTA AZ 85635

PROPERTY IDENTIFICATION

Parcel ID# 937-26-870-00-7
Roll # 0121250 2008

DELINQUENT TAXES \$ 9.79
INTEREST .0266 \$.26
TOTAL DUE \$ 10.05
IF PAID ON OR BEFORE 6/30/2009

PURSUANT TO ARIZONA REVISED STATUTE 42-19108 AND 42-19110
YOU ARE HEREBY NOTIFIED THAT THE PROPERTY DESCRIBED BELOW,
LISTED ON THE TAX ROLL OF COCHISE COUNTY, IN YOUR NAME, HAS
DELINQUENT TAXES DUE.

REAL PROPERTY (93726870007) : THE COUNTY TREASURER IS MANDATED
(ARS 42-18112) TO ADVERTISE AND SELL A TAX LIEN ON THIS PARCEL
NEXT FEBRUARY.

DESCRIPTION OF PROPERTY:

TOTAL VALUE OF OPERATING PROPERTY
105-89-016-A 5,000 105-89-029-A 750
105-89-049 5,000

REMIT PAYMENT TO:
COCHISE COUNTY TREASURER
P-O-BOX-1778
BISBEE, AZ 85603

FOR OFFICIAL USE
ONLY - TAX CODES

*7/15/09
Per Alme
Paid in full*

RECEIVED
JUN 2 2009

HOLM, HESTAND & VALENZUELA, CPAs, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

3131 NORTH COUNTRY CLUB ROAD, SUITE 109

TUCSON, ARIZONA 85716

DOUGLAS R. HOLM, CPA
EMMA K. HESTAND, CPA
JANETTE G. VALENZUELA, CPA

TELEPHONE: (520) 326-8483
FAX: (520) 795-5191
E-MAIL: HHVCPA@EARTHLINK.NET

We have compiled the balance sheets of Indiada Water Company, Inc. as of December 31, 2009 and 2008, and the related statements of income and expense for the years then ended, included in the accompanying prescribed form in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission--Utilities Division information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above, and accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Arizona Corporation Commission--Utilities Division, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Holm, Hestand, Valenzuela CPAs P.C.

March 9, 2010